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**UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA**

IN RE: MCKINSEY & CO., INC.  
NATIONAL PRESCRIPTION OPIATE  
CONSULTANT LITIGATION

This document relates to:

Case No. 3:21-cv-04386-CRB

Case No. 3:21-cv-05467-CRB

Case No.: 21-md-02996-CRB

**PLAINTIFFS' REPLY BRIEF IN SUPPORT  
OF CONSOLIDATED MOTION FOR  
REMAND OR ABSTENTION**

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## **INTRODUCTION**

Plaintiffs County of Genesee, et al., in Case No. 3:21-cv-04386-CRB, and Plaintiffs County of Westchester, et al., in Case No. 3:21-cv-05467-CRB (collectively, “Plaintiffs”), hereby file this brief in reply to the opposition of McKinsey & Co., Inc. (“McKinsey”) to Plaintiffs’ motion for remand or abstention (ECF No. 719).

### **Preliminary Statement**

As is more fully explained below, this Court is faced with a multi-part analysis.

First, and most importantly, the Court must rule on Plaintiffs’ motion to remand, which demonstrates that this Court lacks subject-matter jurisdiction over Plaintiffs’ lawsuits. At least five U.S. Supreme Court and Ninth Circuit rulings stand as obstacles to McKinsey’s argument that this Court may simply skip over the issue of subject-matter jurisdiction and dismiss the lawsuits, with prejudice, based on its affirmative defense of *res judicata*. The lone Ninth Circuit decision on which McKinsey centers its argument is readily distinguishable on its peculiar facts.

Second, this Court can resolve this motion to remand, with no need to delve into complex matters of “related to” bankruptcy jurisdiction and abstention doctrine, on the basis that removal of these lawsuits is barred under 28 U.S.C. § 1452(a). As McKinsey does not seriously contest, Plaintiffs’ lawsuits are “civil action[s] by a governmental unit to enforce such governmental unit’s police or regulatory power” within the meaning of Section 1452(a). McKinsey’s main response, that this point supposedly dooms Plaintiffs’ ability to defeat its *res judicata* defense, is irrelevant to the jurisdictional obstacle to this Court proceeding with the lawsuits.

Lastly, in light of current Ninth Circuit precedent bearing on the abstention issue argued by Plaintiffs, this brief concludes with a suggestion that if this Court were to find that federal jurisdiction over these lawsuits *does* exist, the proper course would be for it to exercise its discretion to order the lawsuits remanded to state court, based on equitable grounds.

**I. THIS COURT MUST FIRST DECIDE PLAINTIFFS' MOTION TO REMAND, AS ABSENT A FINDING OF SUBJECT-MATTER JURISDICTION THIS COURT CANNOT DISMISS THESE LAWSUITS WITH PREJUDICE**

McKinsey persists in urging that this Court somehow enjoys the power to skip over the issue of whether it possesses subject-matter jurisdiction, and proceed directly to what McKinsey contends is the easier issue: whether Plaintiffs' lawsuits should be dismissed, with prejudice, based on its affirmative defense of *res judicata*. McKinsey Opposition ("Opp."), ECF No. 728, at 7-13. To do that would be legal error, for reasons already sketched by Plaintiffs (ECF No. 691 at 4-5; ECF No. 713-1 at 1-6), which McKinsey has failed to adequately address.

The governing rule can be stated quite simply, as follows: *If a plaintiff that prefers not to be in federal court contests subject-matter jurisdiction, the court cannot dismiss the case with prejudice without first finding that it has subject-matter jurisdiction.* This rule flows so obviously from basic principles of federal jurisdiction that one would expect trial judges to only rarely overlook the rule. Indeed, we have found only two controlling appellate decisions finding occasion to reverse trial courts that ruled otherwise.

As previously summarized (ECF No. 691 at 5), *Robertson v. GMAC Mortg., LLC*, 640 Fed. Appx. 609 (9th Cir. 2016), was a case filed by the plaintiff in state court, and removed by defendants based on alleged diversity of citizenship. The plaintiff moved to remand, raising doubts concerning the citizenship of one defendant. Rather than decide plaintiff's motion, the district court simply granted defendants' motion to dismiss, which the Ninth Circuit held was error. *Id.* at 612. This holding was consistent with the holding in *United States Life Ins. Co. v. Waddell & Reed, Inc.*, 360 F.3d 960, 965 (9th Cir. 2004) (Wallace, J.) (cited in ECF No. 691 at 4), that before considering a "motion to dismiss on the merits, . . . [a] district court [has] a duty to ascertain whether it possesse[s] subject matter jurisdiction."

1 The rule that a plaintiff that prefers not to be in federal court is entitled to a ruling on its  
2 argument contesting subject-matter jurisdiction is so fundamental and absolute that a trial court  
3 must decide the issue even if the plaintiff raises it only *after* losing on the merits. That was the  
4 Supreme Court’s holding in *Capron v. Van Noorden*, 6 U.S. (2 Cranch) 126 (1804), reaffirmed in  
5 *Steel Co. v. Citizens for Better Environment*, 523 U.S. 83, 95 (1998). In *Capron*, as Justice Scalia  
6 summarized in his *Steel Co.* majority opinion, the Court “set aside a judgment for the defendant at  
7 the instance of the losing plaintiff *who had himself* failed to allege the basis for federal  
8 jurisdiction.” *Id.* (emphasis in original). Even though *Capron* had waited until *after losing the*  
9 *case* to move for dismissal based on a lack of diversity of citizenship, it did not matter, because  
10 the error involved was “an *error of the Court*, and the plaintiff has a right to take advantage of it.”  
11 *Capron*, 6 U.S. at 127 (emphasis in original).

13 In light of *Capron*, there is nothing to McKinsey’s suggestion that this Court can somehow  
14 skirt the need to rule on subject-matter jurisdiction, and thereby save time and trouble, by  
15 dismissing these lawsuits based on its affirmative defense of *res judicata*. A simple hypothetical  
16 illustrates the point. Suppose Plaintiffs had never moved to remand their lawsuits, content to  
17 litigate them in federal court, feeling confident that the Court would not dismiss based on *res*  
18 *judicata*. Suppose that the Court then dismissed on that basis. *Capron* makes clear that Plaintiffs  
19 could, in that event, belatedly move to have the lawsuits remanded to state court for lack of  
20 subject-matter jurisdiction (with the adverse ruling vacated). This would be required not just by  
21 *Capron* but, as McKinsey points out (Opp. at 8), also by Fed. R. Civ. P. 12(h)(3), which  
22 mandates: “If the court determines at any time that it lacks subject-matter jurisdiction, the court  
23 must dismiss the action.”  
24  
25

26 Citing a handful of decisions, mostly from other Circuits, arising out of a Supreme Court  
27 doctrine dealing with alternative threshold motions to dismiss *without* prejudice, see pp. 4-5,  
28



1 *infra*, McKinsey argues that this Court can skip over the issue of subject-matter jurisdiction and  
2 grant its Rule 12(b)(6) motion to dismiss, *with* prejudice, on the theory that “[a] *res judicata*  
3 dismissal is a non-merits dismissal.” Opp. at 7. To rely on this theory to dismiss Plaintiffs’  
4 lawsuits *with* prejudice would flout controlling Supreme Court precedent, summarized earlier by  
5 Plaintiffs (ECF No. 713-1 at 5-6 & n.2), to which McKinsey has no answer. In *Semtek*  
6 *International Inc. v. Lockheed Martin Corp.*, 531 U.S. 497 (2001), the Court made clear that “a  
7 dismissal ‘with prejudice’” is, by definition, a ruling “on the merits.” *See also Havens v. Mabus*,  
8 759 F.3d 91, 98-99 (D.C. Cir. 2014); *Scott Aviation v. United States*, 953 F.2d 1377, 1378 (Fed.  
9 Cir. 1992). As Plaintiffs have noted, no matter how obvious it is to a court that *res judicata* bars  
10 the lawsuit before it, no dismissal with prejudice can be entered if there is an absence of subject-  
11 matter jurisdiction. ECF No. 713-1 at 5-6 (citing *Global Gold Mining, LLC v. Ayvazian*, Fed.  
12 App’x 11, at \*16 (2d Cir. Apr. 27, 2015)).

13  
14 In an effort to justify a holding at odds with the holdings of the Supreme Court in *Capron*,  
15 *Steel Co.*, and *Semtek*, and of the Ninth Circuit in *Robertson* and *United States Life*—which  
16 collectively make clear that a federal court may not dismiss, with prejudice, the lawsuit of a  
17 plaintiff that prefers not to be in federal court, without first resolving the issue of subject-matter  
18 jurisdiction—McKinsey invokes a line of Supreme Court precedent which evolved in a totally  
19 different context. This doctrine identifies the options available to a court faced with dueling  
20 motions to dismiss a lawsuit *without* prejudice.

21  
22 As Plaintiffs have already summarized (ECF No. 713-1 at 2-3), this doctrine was articulated  
23 in two unanimous decisions for the Court authored by Justice Ginsburg, making clear that a  
24 federal court may choose between alternative threshold grounds for dismissing, *without* prejudice,  
25 the case of a plaintiff who seeks an audience in federal court. The holding of *Ruhrigas AG v.*  
26 *Marathon Oil Co.*, 526 U.S. 574, 583-88 (1999), was that the district court had properly  
27  
28

1 dismissed the case based on the simpler issue of personal jurisdiction, properly declining to  
2 analyze the more complicated issue of subject-matter jurisdiction. The holding of *Sinochem*  
3 *International Co. Ltd. v. Malaysia International Shipping Corp.*, 549 U.S. 422 (2007), was that  
4 the district court had properly dismissed the case based on the simpler issue of *forum non*  
5 *conveniens*, thereby sidestepping the need for discovery to determine whether personal  
6 jurisdiction existed.

7 The compelling logic underlying this line of doctrine, as we have pointed out (ECF No. 713-  
8 1 at 3-4), is that where the choice *between* threshold options for dismissing a case makes no  
9 practical difference to the end result for the parties, district judges should be accorded discretion  
10 to select among alternative bases for dismissal.

11 The reason this line of doctrine is not applicable here is that McKinsey is not asking this  
12 Court to select between various options for dismissal *without* prejudice (e.g., subject-matter  
13 jurisdiction, personal jurisdiction, or *forum non conveniens*). Rather, as pointed out earlier (ECF  
14 No. 713-1 at 5), but McKinsey ignores, here we have dueling motions seeking totally different  
15 results. McKinsey seeks dismissal with prejudice, based on its affirmative defense of *res judicata*,  
16 which would *end* the litigation. Plaintiffs seek a remand to New York state court, which would  
17 *continue* the litigation. Therefore, the *Ruhrgas-Sinochem* doctrine, permitting choice among  
18 alternative threshold grounds for achieving *the same* result, simply does not apply in this  
19 circumstance. Instead, this Court must first decide whether it has subject-matter jurisdiction, as  
20 required by *Capron*, *Steel Co.*, *Semtek*, *Robertson* and *United States Life*.

21 The Ninth Circuit's holding in *Snoqualmie Indian Tribe v. Washington*, 8 F.4th 853, 863 (9th  
22 Cir. 2021), provides no warrant for a contrary result. As we have pointed out (ECF No. 713-1 at  
23 2-5), *Snoqualmie* involved an application of the *Ruhrgas-Sinochem* doctrine. The district court in  
24 *Snoqualmie* was faced with two different motions, each of which, if granted, would end the case  
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brought by the Tribe, with prejudice: a motion to dismiss for lack of subject-matter jurisdiction, and a motion to dismiss based on issue preclusion. *Id.* at 861. Because the Tribe had intervened in a preexisting federal lawsuit (which had spanned decades), seeking to invoke the benefit of earlier rulings of the district court enforcing certain treaty rights, *id.* at 857-60, the only forum available to the Tribe was the federal district court in which the treaty litigation was pending.<sup>1</sup> Therefore, it made no practical difference to the result for the parties whether the district court dismissed based on a lack of subject-matter jurisdiction or dismissed based on issue preclusion: the Tribe would lose either way. On this record, citing the *Ruhrigas-Sinochem* doctrine, *id.* at 862-63, the Ninth Circuit held that the district court had properly dismissed based on the simpler ground of issue preclusion. The Court’s discussion of “[w]hether dismissal on the ground of issue preclusion is a merits or non-merits dismissal,” *id.* at 861 (a discussion which made no reference to the definition of “on the merits” set out in *Semtek*), was therefore unnecessary to its holding.<sup>2</sup> Regardless of

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<sup>1</sup> McKinsey mistakenly suggests that if the district court “had dismissed for lack of subject matter jurisdiction, the plaintiff could have continued to litigate the case in state court.” Opp. at 9.

<sup>2</sup> *Snoqualmie* is the only Ninth Circuit case cited by McKinsey in support of its argument that a dismissal based on *res judicata* is somehow not “on the merits,” even though entered *with* prejudice. None of the other nine decisions it cites involving the defense of issue preclusion, Opp. at 7-9, addressed the Supreme Court’s explanation in *Semtek* of the meaning of “on the merits.” Setting aside the several decisions in which the jurisdictional challenge involved merely fact-specific issues of individual plaintiff standing, only six of the decisions authorized skipping over the fundamental matter of subject-matter jurisdiction based on the relative simplicity of the issue preclusion defense. In two of these cases, as in *Snoqualmie*, the choice between grounds for dismissal made no difference to the result for the losing plaintiff. See *Loomis as Tr. of Lost Creek Tr. v. United States*, 642 F. Supp. 3d 1199, 1208-09 (D. Idaho 2022); *Noone v. Town of Palmer*, 2 F. Supp. 3d 1, 7-11 (D. Mass. 2014). In the other four cases, the issue preclusion ruling did at least arguably eliminate plaintiffs’ chance to litigate elsewhere, but in none of these cases did the judges take account of the Supreme Court’s holding in *Capron*, which the plaintiffs had failed to brief. See *E. Coast Repair & Fabrication, LLC v. U.S. through Dep’t of Navy*, 16 F.4th 87, 89-90 (4th Cir. 2021); *Hoffman v. Nordic Nats., Inc.*, 837 F.3d 272, 277 (3d Cir. 2016); *In re Nat’l Football League Players’ Concussion Injury Litig.*, 2019 WL 634640, at \*5-\*10 (E.D. Pa. Feb. 14, 2019); *In re Facebook, Inc., IPO Sec. & Derivative Litig.*, 922 F. Supp. 2d 445, 453-56 (S.D.N.Y. 2013), *aff’d*, 797 F.3d 148, 155-59 (2d Cir. 2015).

1 which option the district court selected, the Tribe would be out of court, with no other forum  
2 available in which to litigate its treaty claims.

3 **II. REMOVAL OF PLAINTIFFS' ACTIONS IS BARRED BY**  
4 **28 U.S.C. § 1452(A)**

5 Plaintiffs are political subdivisions of the State of New York that filed suit in state court  
6 against a company headquartered in the state, asserting only state-law causes of action. Therefore,  
7 none of the conventional grounds for removal exist. McKinsey's sole argument for removal is  
8 that Plaintiffs' lawsuits might have a *conceivable* effect on Purdue's bankruptcy, so that removal  
9 is supposedly authorized by 28 U.S.C. § 1334(b), which confers federal jurisdiction over "all civil  
10 proceedings . . . related to cases under title 11." Opp. at 13-21.

12 It would constitute a significant intrusion by Congress on the core function of States and their  
13 political subdivisions to protect the lives and health of their citizens if Section 1334(b) were  
14 applied to authorize a federal court to interfere with state-court litigation aimed at restraining a  
15 public nuisance allegedly causing a public health crisis. Therefore, in addition to the general  
16 requirement that removal statutes must be narrowly construed, with the removing defendant  
17 required to overcome the strong presumption against removal (principles not contested by  
18 McKinsey),<sup>3</sup> this Court cannot find removal jurisdiction based on Section 1334(b) without a clear  
19 statement by Congress authorizing removal of such litigation.

21 When Congress legislates "in a field which the States have traditionally occupied," the  
22 Supreme Court long ago observed, "we start with the assumption that the historic police powers  
23 of the States were not to be superseded by the Federal Act unless that was the clear and manifest  
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27 <sup>3</sup> See ECF No. 719 at 5 (citing *Harris v. Bankers Life and Cas. Co.*, 425 F.3d 689, 698 (9th  
28 Cir. 2005); ECF No. 720 at 2 (citing *Hansen v. Grp. Health Corp.*, 902 F.3d 1051, 1057 (9th Cir. 2018)).

1 purpose of Congress.” *Rice v. Santa Fe Elevator Corp.*, 331 U.S. 218, 230 (1947). Thus, only a  
2 plain statement by Congress authorizing the use of Section 1334(b) to remove state-court  
3 nuisance litigation brought by governmental plaintiffs can validate McKinsey’s argument. *See*  
4 *generally Gregory v. Ashcroft*, 501 U.S. 452, 457-64 (1991). As the Court explained in *Gregory*:  
5 “Congress may legislate in areas traditionally regulated by the States. This is an extraordinary  
6 power in a federalist system. It is a power that we must assume Congress does not exercise  
7 lightly.” *Id.* at 460. “This plain statement rule,” it continued, “is nothing more than an  
8 acknowledgement that the States retain substantial sovereign powers under our constitutional  
9 scheme, powers with which Congress does not readily interfere.” *Id.* at 461. *See also id.* at 464  
10 (“we must be absolutely certain that Congress intended” intrusion into core state functions).  
11

12 Of course, there exists no clear statement by Congress authorizing federal courts to invoke  
13 the Bankruptcy Code as a basis for interfering with state-court litigation filed by governmental  
14 units targeting a public-health nuisance. Quite the contrary: Congress has explicitly *prohibited*  
15 such interference. Where state-court litigation is brought by a governmental unit to enforce its  
16 police or regulatory power, it is neither subject to the automatic stay provisions of the Bankruptcy  
17 Code (28 U.S.C. § 362(b)(4)), nor is it subject to removal (28 U.S.C. § 1452(a)). *See generally*  
18 *City & County of San Francisco v. PG & E Corp.*, 433 F.3d 115, 1123-24 (9th Cir. 2006); *In re*  
19 *Methyl Tertiary Butyl Ether (“MTBE”) Prod. Liab. Litig.*, 488 F.3d 112, 132 (2d Cir. 2007) (both  
20 cited in ECF No. 719 at 5).  
21

22 Plaintiffs need establish only two things for Section 1452(a)’s ban on removal to apply: (1)  
23 that Plaintiffs are “governmental units” within the meaning of Section 1452(a); and (2) that under  
24 applicable state law, Plaintiffs in fact possess the “police or regulatory power” they seek to  
25 enforce through their lawsuits, which Section 1452(a) shields from interference.  
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1 Plaintiff's opening brief established the first point, ECF No. 719 at 5, which McKinsey does  
2 not contest. Opp. at 21-23.

3 As to the second point, McKinsey asserts that "Plaintiffs do not in fact possess the police or  
4 regulatory powers they purport to be enforcing to protect those interests." Opp. at 23. But here,  
5 McKinsey cites only three decisions interpreting New York law. Two set forth general principles  
6 that no one contests. The third strongly supports Plaintiffs' argument.

7 McKinsey cites *Ass'n of Home Appliance Mf. v. City of New York*, 36 F. Supp. 3d 366, 372  
8 (S.D.N.Y. 2014), and *Bon-Air Ests., Inc. v. Bldg. Inspector of Town of Ramapo*, 31 A.D.2d 502,  
9 504 (N.Y. App. Div. 1969), for the well-accepted point that police powers repose with the State,  
10 so that "a municipality can only exercise police power when it has specifically or impliedly  
11 received a delegation of such power from the State." *Id.* at 504. It then asserts that "Plaintiffs do  
12 not identify any delegation of power from New York State that authorizes them to bring these  
13 claims, and McKinsey is not aware of any." Opp. at 23.

14 But Plaintiffs *have* identified that delegation of power. McKinsey has overlooked the  
15 analysis of this very point in the third decision it cites, the landmark decision of the New York  
16 Court of Appeals in *New York Trap Rock Corp. v. Town of Clarkstown*, 85 N.E.2d 873 (N.Y.  
17 1949), which Plaintiffs in their opening brief took care to summarize in some detail. ECF No. 719  
18 at 5-6. The conclusion that a municipality "has the capacity and is the proper party to bring an  
19 action to restrain a public nuisance which has allegedly injured the health of its citizens," the  
20 court held in that case, "is dictated by policy and principle and finds warrant in both the common  
21 law and statutes of this State." *Id.* at 877. Indeed, the court noted that "there is *no case* in this  
22 State which has denied such power to a municipal corporation," *id.* (emphasis added), and that  
23 various statutes "evidence an intention on the part of the Legislature to place the subject of public  
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1 nuisances affecting public health primarily under the supervision of local boards or departments  
2 of health.” *Id.* at 878.

3 To be sure, the court did not hold that the Legislature had *expressly* delegated this power to  
4 municipalities. But, as one case cited by McKinsey makes clear (*Bon-Air Ests.*, 31 A.D.2d at  
5 504), an implied delegation will do. The court in *New York Trap Rock* therefore rejected, as  
6 irrelevant, the lower court’s observation that “no express statutory authority had been conferred  
7 upon the plaintiff to maintain the action,” 85 N.E.2d at 876, and made clear that it was enough  
8 that the Legislature had “impliedly delegated to towns the power to bring an action to restrain a  
9 common-law public nuisance . . . .” *Id.* at 878. *See also id.* at 879 (public health statutes “fairly  
10 imply the existence of the further power to bring an action to restrain a nuisance affecting the  
11 public health”).

13 Ignoring this unanimous holding of New York’s highest court that New York municipalities  
14 have, in fact, been delegated the power to file lawsuits to restrain nuisances affecting the public  
15 health, McKinsey’s only criticism is that *New York Trap Rock* did not include the term “police  
16 power” in its analysis, Opp. at 23, a critique of wordsmithing without substantive significance.

18 *New York Trap Rock* was reaffirmed in *City of New York v. Smokes-Spirits.Com, Inc.*, 12  
19 N.Y.3d 616, 626-27 (2009) (“It is well settled that a governmental entity, such as the City, may  
20 bring an action to abate a public nuisance”) (citing *New York Trap Rock*, 299 N.Y. 77, 83 (1949)).  
21 Obviously, these holdings of the highest court of New York are binding on this Court under 28  
22 U.S.C. § 1738, which defeats the only objection advanced by McKinsey to a finding that “related  
23 to” removal of these lawsuits is barred by 28 U.S.C. § 1452(a).  
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**III. EVEN IF THIS COURT WERE TO CONCLUDE THAT IT POSSESSES  
SUBJECT-MATTER JURISDICTION, THE PROPER COURSE WOULD  
BE TO REMAND THE LAWSUITS BASED ON EQUITABLE GROUNDS**

Even if this Court were to reject Plaintiff’s argument that 28 U.S.C. § 1452(a) bars removal of these lawsuits, and then proceeded to credit McKinsey’s argument that “related to” jurisdiction exists under 28 U.S.C. § 1334(b), thereby authorizing removal (again, only if this Court *also* concludes that Section 1452(a) does not stand as an obstacle to removal), Plaintiffs submit that remand would remain the proper course.<sup>4</sup>

**A. Abstention**

Plaintiffs concede that a remand based on either mandatory or discretionary abstention pursuant to 28 U.S.C. § 1334(c) is not a tenable option at this juncture (subject, however, to a possible change in the law via any appeal that might occur if remand were denied). Remand based on either mandatory or discretionary abstention *would* be the proper course if, as we have argued, a federal court in an MDL context is required to apply the law of the transferor circuit on fundamental matters of federal law going to the ultimate fate of the case (here, whether the federal courts should even exercise jurisdiction over the case), for the reasons sketched in the federal district court opinion and academic commentary cited in ECF No. 719 at 19-20 n.20.

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<sup>4</sup> As to the Section 1334(b) “related to” issue, Plaintiffs acknowledge that the argument in their opening brief, submitted on June 14, 2024, was predicated in part on the Purdue bankruptcy Plan being upheld by the Supreme Court (because certain provisions in that Plan ensured that the outcome of Plaintiffs’ lawsuits could not have a conceivable effect on Purdue’s bankruptcy state, *see* ECF No. 719 at 18). Two weeks later, the Plan was struck down by the Supreme Court. *See Harrington v. Purdue Pharma L.P.*, 144 S. Ct. 2071 (2024). Given certain developments in the wake of that decision described by McKinsey (Opp. at 20-21), Plaintiffs recognize that until the impact of the Supreme Court’s decision becomes clearer, it now appears premature to conclude that Plaintiffs’ lawsuits could not have a conceivable effect on Purdue’s estate. However, Plaintiffs reserve the option, if their lawsuits were to remain in federal court, to oppose Section 1334(b) jurisdiction at a later date, if subsequent events warrant (there being no time limit on challenges to subject-matter jurisdiction).



1 Although we submit that the holding of *Newtown v. Thomason*, 22 F.3d 1455, 1460 (9th Cir.  
2 1994), on the facts of that case, *can* be read to leave room for applying the law of the transferor  
3 circuit in circumstances such as those involving Plaintiffs' lawsuits (*compare* Opp. at 24-25),  
4 given the *Newtown* court's conclusion that "when reviewing federal claims, a transferee court in  
5 this circuit is bound *only* by our circuit's precedent," *id.* at 1460 (emphasis added), that analysis is  
6 at minimum considered dicta which this Court presumably will not lightly disregard. Plaintiffs  
7 have, however, taken care to brief the abstention issue to preserve their options for arguing on  
8 appeal (if an appeal were to become necessary), that abstention should be ordered because: (1) the  
9 law of the Second Circuit (which reads Section 1334(c) as applying to removed lawsuits) is  
10 controlling with regard to temporary transfers, on fundamental matters of federal law going to the  
11 ultimate fate of the case); and/or (2) the Ninth Circuit's reading of Section 1334(c) is incorrect,  
12 and the consensus view of other circuits that it applies to removed cases is the correct reading.

13  
14 Unless and until either result transpired, however, this Court need not analyze the abstention  
15 doctrine, given the existing Ninth Circuit decisions bearing on the matter.

#### 16 **B. Equitable Remand**

17  
18 In contrast to the legal uncertainty that exists concerning a federal court's authority to  
19 remand removed actions pursuant to Section 1334(c), it is clear that this Court has discretion to  
20 remand them pursuant to 28 U.S.C. § 1452(b), "on any equitable ground." Although there is of  
21 course no legal requirement that this Court do so, Plaintiffs respectfully submit that even if this  
22 Court were to conclude that these lawsuits were properly removed to federal court, it would be  
23 prudent to remand them and allow them to continue in New York state court, as part of the  
24 longstanding coordinated opioid-related litigation pending in New York, as previously explained  
25 in ECF No. 719 at 2-4, 21-25.  
26  
27  
28

**CONCLUSION**

For all the reasons stated, this Court's first order of business should be to decide Plaintiffs' motions to remand, and the Court should hold that removal of these lawsuits is barred by 28 U.S.C. § 1452(a), and remand them back to New York state court. In the alternative, it should exercise its discretion to order an equitable remand pursuant to 28 U.S.C. § 1452(b).

Dated: July 29, 2024

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on July 29, 2024, I electronically transmitted the attached document to the Clerk of the Court using the ECF System for filing. Based on the records currently on file, the Clerk of Court will also transmit a Notice of Electronic Filing to all counsel of record.

/s/ Hunter J. Shkolnik  
HUNTER J. SHKOLNIK